



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: April 26, 2007 REPORT NO: 07-079
ATTENTION: Council President and City Council
SUBJECT: Agenda of May 3, 2007 (Budget Hearing)
Street Division Business Process Reengineering
REFERENCE: Street Division Business Process Reengineering Final Report

REQUESTED ACTION:

Accept the Report from the Mayor on the Street Division Reengineering (BPR) Study.

STAFF RECOMMENDATION

Accept the Report on Street Division Reengineering and authorize implementation of the organizational changes described therein.

BACKGROUND

The Mayor has commenced BPR efforts to improve efficiencies, reduce the cost of City government and to maximize the services offered to our residents. BPR focuses on optimizing the efficiency and effectiveness of operational processes and functional work groups. On July 31, 2006, the City Council adopted Ordinance O-19523, establishing a policy for the implementation of Business Process Reengineering Results (Report to City Council No. 06-094).

The Street Division Business Process Reengineering Study

The Street Division BPR Study was initiated on October 3, 2006. The BPR evaluated the current practices under which infrastructure maintenance operations are performed and focused on increasing efficiencies of the operational processes. Activities included business process mapping, benchmarking with other agencies, work load analysis, customer & employee surveys and the development of improvement ideas. The study also proposed comprehensive Asset and Work Management Programs. The Asset Management Program includes inventory, condition assessments and resource allocation. The Work Management Program includes planned maintenance, production control and quality control. Along with over 50 city employees from various departments, labor representatives from MEA, and AFSCME Local 127 participated and contributed to this comprehensive review.

The BPR Study has resulted in a reorganization plan that will consolidate the Division's seven sections into four sections as follows: two Operational & Maintenance Sections, one Administration & Support Section and one Services & Contracts Section. A total of 33.16 positions will be eliminated from Street Division, with the span of control for supervisors being increased and obsolete or inefficient processes being improved. Innovative technologies such as hand-held field units will be utilized to produce higher efficiencies for delivery of work. The BPR resulted in a strong focus on core functions and transferring non-core functions to other work units within the City in an effort to consolidate like functions.

Possibility of Managed Competition

The BPR effort identified significant cost reduction and operational improvements for Street Division. In Fiscal Year 2007, Street Division included 317.49 budgeted positions. Based on reengineering decisions it was determined that 33.16 positions (21.16 to be transferred and 12.00 to be eliminated) could be reduced from the Fiscal Year 2008 budget, leaving Street Division with 284.33 budgeted positions. A variety of factors including local market strength and interest, as well as examples of other local agencies, make Street Division an acceptable managed competition candidate. Functions within Street Division such as street maintenance, street sweeping, pavement markings and curb painting, street signage, storm drain maintenance and tree trimming will be considered for managed competition. Therefore, the specific additional staff and cost reductions identified through BPR, beyond the reduction of 33.16 positions, will be withheld pending a decision regarding Managed Competition in order not to compromise the competitiveness of any subsequent employee proposal.

Affected Positions and Service Level Impacts

The BPR proposal reduces 33.16 positions (21.16 to be transferred and 12.00 to be eliminated) in the FY08 proposed budget. As described below, the staffing reductions are accomplished while maintaining all core services with minimum impact to service levels.

The consolidation of sections and improvement of processes enables the elimination of the following vacant positions:

- 1.00 Carpenter – Non-core function that will be provided through service contracts.
- 1.00 Cement Gun Operator – Non-core function that will be provided through service contracts.
- 4.00 Heavy Truck Driver I – Consolidation of similar functions and new multi-skilled classifications will perform this function.
- 2.00 Heavy Truck Driver II – Consolidation of similar functions and new multi-skilled classifications will perform this function.
- 1.00 Utility Worker I – Consolidation of similar functions and new multi-skilled classifications will perform this function.

- 3.00 Utility Worker II – Consolidation of similar functions and new multi-skilled classifications will perform this function.

The following positions will be transferred to other work units consistent with the goal of consolidating like functions:

- 1.00 Public Works Supervisor Police Dept
- 1.00 Parking Enforcement Officer II Police Dept
- 9.00 Parking Enforcement Officer I Police Dept
- 1.00 Sr. Planner E&CP Dept
- 1.00 Public Works Supervisor E&CP Dept
- 1.66 Lab Tech Storm Water Division
- 1.00 Sr. Drafting Aide Storm Water Division
- 0.50 Bio III Storm Water Division
- 1.00 HTDII – Position to be reclassified by the Treasurer’s office to a Parking Meter Technician.
- 1.00 Supervising Mgmt Analyst – Position moved to General Services Administration to provide Department-wide budget overview and support.
- 1.00 Public Works Supervisor – Position moved to General Services Administration for reclassification to the new Assistant Director position.
- 2.00 Utility Worker I – Positions moved to General Services Administration for reclassification to the new Human Resource Analyst position.

FISCAL CONSIDERATIONS:

Budgetary Impacts

As described above, the Fiscal Year 2008 Street Division budget reflects a 33.16 position reduction from the previous year, with very limited anticipated impacts to service levels. The impact of the additional BPR efficiency proposals on the FY 2008 Street Division budget will depend on a variety of factors, including decisions regarding Managed Competition of the activity and the implementation dates of the various other improvement strategies.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

To assure a comprehensive and fair assessment of all services provided by Street Division, the BPR included participation of MEA and Local 127, as well as a number of employees from various City Departments with background and familiarity with the Division's operations. The Division also requested input from the general public through an on-line customer service survey.


KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Given that this BPR involves position reductions and changes in working conditions, this proposal will go through Meet and Confer with MEA and Local 127. The BPR proposal is therefore tentative and subject to the outcome of Meet and Confer for Street Division.

This BPR will define new processes for delivering services to the public with minimum impact to service levels.



Mario X. Sierra
General Services Department Director



R. F. Haas
Deputy Chief of Public Works

Attachments: A. Summary of BPR Recommendations